Loss due to non-termination of licence of Koshika Telecom Ltd.

2238. SHRI K.B. KRISHNA MURTHY: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether due to indiscretion on the part of the Telecom Department by failing to terminate the licence of Koshika Telecom Ltd. an Operator in U.P. Circle during 1998-99 caused a loss of more than Rs. 440.00 crores to Government;

(b) whether the Comptroller and Auditor General of India has commented adversely on this lapse in his report for the year 2002;

(c) whether CAG has also commented adversely on the non-realisation of licence fee and royalty charges amounting to Rs. 85.00 lakhs from users of wireless station in Shillong, since January, 1983; and

(d) if so, Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN): (a) No, Sir. M/s Koshika have disputed the dues claimed by Department of Telecommunications and started various litigations. In terms of Arbitration Clause in the Licence Agreement, Delhi High Court have appointed Arbitrator to determine the dispute; the matter is at present pending before the Arbitrator.

(b) to (d) Comptroller and Auditor-General (CAG) of India in his report on Posts and Telecommunications for the year 2002 (Report No. 6 of 2002) has pointed out regarding non-termination of Uttar Pradesh (U.P.) East Circle License and non-recovery of dues from M/s Koshika. M/s Koshika Telecom Limited defaulted in payment of Government dues under the licenses and were given notice for termination of all their four Licences for Orissa, Bihar, UP-West and UP-East Telecom circles in April, 1999. Three out of these four Licences except for U.P.-East were terminated on 22.5.1999. The licence for UP-East Telecom Circle was not terminated as the only other operator in that Circle was also a defaulter who had also been issued a termination notice; termination of both the licences would have deprived the customers in UP-East Circle from any Cellular Mobile Telephone Service and in view of this, further approach was to be evolved. Subsequently, in view of a belated unconditional acceptance of the offer

of Migration Package in respect of UP-East Circle furnished by M/s Koshika on 30.11.1999, a modified offer of migration to revenue sharing regime was given to them on 17.4.2000 which was again accepted unconditionally by them on 25.4.2000. Offer of restoration of the three terminated licenses along with simultaneous migration to revenue sharing regime was also unconditionally accepted by M/s Koshika on 25.4.2000. In pursuance of the accepted conditions of the migration package, M/s Koshika withdrew litigations started by them in Delhi High Court and paid an amount of Rs. 101 Crores between 2.5.2000 to 21.9.2000. However, the company disputed the dues claimed by the Government and made various representations. M/s Koshika were reminded from time to time and lastly on 19.9.2001, for payment of license fee dues failing which the license was to be terminated. Thereafter, M/s Koshika started litigation in Delhi High Court afresh and were granted stay on termination of UP-East license on 24.9.2001.M/s Koshika also filed four Arbitration Applications and raised dispute on the demand of license fee dues and requested for appointment of an Arbitrator in terms of arbitration clause in the license agreement. Finally, when the Stay on termination from the Court was no longer in operation, the licence for UP-East was terminated on 30.9.2002.

As regards wireless charges, omptroller and Auditor General (CAG) of India in the said Report has ponted out arrears of 83.41 lakhs for recovery from 10 users. All these cases pertain to State Government Departments out of which one case is for non-renewal of Licence and the remaining 9 cases are for not obtaining operating Licence against "agreement in principle" issued from this Ministry. In 6 of these cases *Ex-post-facto* Operating Licences have been issued. Actual amount of arreas calculated by this Ministry is Rs.52.85 lakhs, instead of Rs. 83.41 lakhs, out of which amount of Rs. 11.62 lakhs, have been realized. Efforts are on to realize the remaining amount in due course.

Tele-density in India

2239. SHRI SANJAY NIRUPAM: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the tele-density in the country is growing; and

(b) if so, the details thereof both rural and Urban areas?